

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2919 - HB 3114

February 22, 2012

SUMMARY OF BILL: Authorizes a student with a documented disability, who does not otherwise qualify, to receive a HOPE scholarship. Requires such a student to meet the same residency and admittance requirements as other eligible students; graduate from a Tennessee high school and complete the requirements of the student's individualized education program (IEP) with a high school diploma, high school certificate, a special education diploma, a transition certificate, or an IEP certificate; be admitted and enrolled in an eligible postsecondary institution no later than 16 months after completing high school; and to apply for a HOPE scholarship. Establishes requirements for such a student to receive a HOPE scholarship at the 12 and 24 hour semester credit mark, including a retroactive award in the semester preceding the 12 and 24 credit hour mark. Authorizes students with documented disabilities to apply for an extension of the five-year limitation on receipt of the HOPE scholarship if the student can only attend a postsecondary institution part-time as a result of the student's disability.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,438,000/FY12-13/Lottery for Education

Account

\$1,784,000/FY13-14/Lottery for Education

Account

**Exceeds \$1,784,000/FY14-15 and Subsequent Fiscal
Years/Lottery for Education Account**

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), its survey of high school counselors revealed that 654 graduates will qualify to receive a new HOPE scholarship.
- TSAC estimates that 90 percent of these students (589) will receive a \$2,000 HOPE scholarship award to attend a two-year institution and 10 percent (65) will receive a \$4,000 HOPE scholarship award to attend a four-year institution.
- The increase in state expenditures in FY12-13 for students attending a two-year institution will be \$1,178,000 (\$2,000 x 589 students).
- The increase in state expenditures in FY12-13 for students attending a four-year institution will be \$260,000 (\$4,000 x 65 students).
- The increase in state expenditures in FY12-13 from the Lottery for Education Account will be \$1,438,000 (\$1,178,000 + \$260,000).

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- TSAC estimates that 24 percent of students or 157 students (24% of 654) will renew from FY12-13 to FY13-14.
- The increase in state expenditures for 141 renewing students (90% of 157) who will attend a two-year institution will be \$282,000 (\$2,000 x 141 students).
- This total will be added to the new cohort of 589 students attending a two-year institution so the increase in state expenditures for students receiving \$2,000 will be \$1,460,000 (\$282,000 + \$1,178,000 new cohort).
- The increase in state expenditures for 16 renewing students (10% of 157) who will attend a four-year institution will be \$64,000 (\$4,000 x 16 students).
- The total for renewing students will be added to the new cohort of 65 students who will attend a four-year institution. The increase in state expenditures for this student population will be \$324,000 (\$64,000 renewals + \$260,000 new cohort).
- The total increase in state expenditures in FY13-14 from the Lottery for Education Account will be \$1,784,000 (\$1,460,000 + \$324,000).
- The increase in state expenditures in FY14-15 and subsequent fiscal years from the Lottery for Education Account will exceed \$1,784,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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